Please join us in preserving a portion of our wealth for future generations.

■ YES, I want to be a member of Montanans for the Coal Trust. I've enclosed my \$25 membership dues.

Name Address

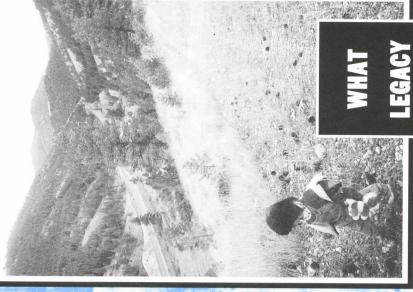
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Please mail to: Montanans for the Coal Trust c/o Verner Bertelsen 1800 Winne Helena, MT 59601 Montanans for the Coal Trust is a 501 (c) (3) nonprofit organization. All dues and donations are tax-deductible.

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MONTANANS FOR THE COAL TRUST



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Montanans for the Coal Trust
1800 Winne ■ Helena, MT 59601

Montana's Permanent Coal Tax Trust Fund

The Coal Tax Trust Fund became part of the Montana Constitution in 1977 after more than 70 percent of the electorate approved a ballot measure providing that 50 percent of the coal tax collected each year would be placed in a Permanent Trust.

Montanans had seen earlier fortunes of gold, silver and copper disappear without any lasting benefit to our state. In the 1970s, when money from Montana's coal severance tax began pouring into the State's treasury, Montana citizens were determined to manage this new-found treasure differently. They wanted to write a new chapter in our state's history by preserving a portion of this wealth for Montana's future generations.

Important Update: As of January I, 2005, the Trust has produced more than ONE Billion Dollars in interest to help run state government. That's One Billion Dollars we have received in services, but did not pay in taxes. Since 1992, part of this interest has been devoted to funding local infrastructure needs through the Treasure State Endowment Program.

Article IX, Section 5, Montana Constitution

The legislature shall dedicate not less than one-fourth (1/4) of the coal severance tax to a trust fund, the interest and income from which may be appropriated. The principal of the trust shall forever remain inviolate unless appropriated by a vote of three-fourths (3/4) of the members of each house of the legislature. After December 31, 1979, at least fifty percent (50%) of the severance tax shall be dedicated to the trust fund.

Some Montanans view the Coal Trust Fund as a big pot of gold waiting to be spent. But the fund is a permanent public endowment, never intended to be used for the ordinary operating expenses of government, nor as a "rainy day" fund.

Just like Montana's School Trust Fund, the Coal Trust was intended to be an endowment whose principal would remain forever inviolate. Only the interest income would be used for ordinary operating expenses of state government.

The principal of the Trust, however, remains inviolate and grows each year through deposits of half of the coal tax collected. But the principal also works for us. It has given Montana an excellent bond rating, which saves us money on state bonds that finance major projects. Because the Trust is permanent and reliable, we get lower interest rates on the bonds so the total cost of these projects is lower. Similarly, the Trust is used to back low-interest loans to local governments, bonds for hospital construction in Montana, and loans to Montana's agricultural community through the Conservation Reserve Enhancement Program.



fund, long-range building program, the Arts Trust, water development projects, the Growth through Agriculture program, county land use planning, conservation districts and library services. In addition, a portion of this money is returned to the areas directly affected by coal mining to help mitigate the impacts of mining.

Montanans for the Coal Trust

Not a legislative session has passed since 1976 without some attempt to "bust the Trust." Montanans for the Coal Trust (MCT) was founded in the late 1970s to resist these raids. A membership organization, MCT is comprised of people throughout Montana who remain committed to preserving the Permanent Coal Tax Trust Fund and the revenue stream into the Trust.

What Legacy Will We Leave?

The question we face every legislative session is "What will we leave to our kids and their kids and their kids? A lump of coal, like the copper mining era's legacy of hazardous waste sites? Or a golden egg, like the interest earnings on a continually growing Permanent Coal Tax Trust Fund?

The proponents of the constitutional amendment that established the Trust wrote: "It will demonstrate to future generations of Montanans that we chose to share the riches of this state's non-renewable resource heritage with them." Indeed, as long as the Coal Trust exists, ours and our children's tax bill will be lower because of the income produced by the Trust.

Please join us in protecting this promise to our children and their children. ■

